



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

cc: S/025/024

September 17, 2003

Mr. Mike Caruso
HC 65 Box 221
Pipe Springs, Arizona 86022

Subject: Termination of Notice of Potential Non-Compliance & Division Directive, Mike Caruso, ML-26996, S/025/027, Kane County, Utah

Dear Mr. Caruso:

On June 26, 2002, the Division sent you a Notice of Potential Non-Compliance and Division Directive to cease mining on state lease ML-48588, which belonged to Bob Harris under file S/025/006. It is our understanding that you have entered into an agreement with Mr. Harris to contract mine for him and, as such, Mr. Harris has accepted responsibility for all mining related disturbance on state lease # ML-48588. During the Division's June 25, 2003 inspection (copy attached), it was documented that you had also disturbed .75 acres on Mr. Harris's Lease # ML- 41355, which Mr. Harris will also be responsible for. **The Division hereby terminates the Potential Non-Compliance and Division Directive that was issued to you on June 26, 2002.**


Currently, you are approved to mine on State Leases ML-26996, ML-41354, and ML-27618, **but not just anywhere on those leases.** You are only authorized to mine where your approved Small Mine Notice and map shows that mining will be conducted. If you want to go outside that area, an amendment must be submitted to and accepted by this Division and SITLA prior to creating any disturbance. It is your responsibility to know where you are mining and whose lease you are on. We strongly recommend that you mark the perimeter of your approved mining permit with metal t-posts or some other marker of equal effectiveness in order to avoid going outside the approved designated area.

This letter also advises you that you are currently delinquent on your permit fees for this project (S/025/027) and also your M & M project (S/025/024). Permit fees were not received for the 2002 fiscal year and have not been paid for this 2003 fiscal year; therefore, a total of \$600.00 is due. Another billing notice (which only showed the 2003 fees) was recently sent to you indicating that **all mining is suspended until the permit fees are received.** All fees must be current prior to any mining being conducted.

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Mike Caruso
S/025/027
September 17, 2003

If you have any questions regarding this letter, please contact me at (801) 538-5286, or Tom Munson at (801) 538-5321. Thank you for your immediate attention to this matter.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program
Division of Oil, Gas and Mining

jb

Attachment: 6/25/2003 inspection memo w/map

cc: Will Stokes, SITLA
Bob Harris & file S/025/006
File S/025/024

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September 3, 2003

TO: Minerals File

FROM: Tom Munson, Senior Reclamation Hydrologist *tm*

SUBJECT: Site Inspection, Mike Caruso, ML-26996 / ML-41354 Project, S/025/027, Kane County, Utah

Date of Inspection: June 25, 2003
Time of Inspection: 11:00 – 12:00 a.m.
Conditions: Sunny
Participants: Tom Munson, DOGM

Purpose of Inspection: To confirm the amount of disturbance currently being held in relationship to this permit and State Lease.

Observations:

There are two areas associated with the State Lease which exists within the NE1/4 of the NE1/4 of Section 36, T40S, R8W, found within the Orderville USGS quad. The southern area of these two areas is 1.5 acres of disturbance; half of which exists on Mr. Harris's State Lease ML-41355. We will only attribute about .75 acres of this area to Mr. Caruso's lease ML-26996, the other .75 acres to Mr. Harris's ML-41355.

The second area is 1.28 acres, all within State Lease ML-26996. Both of these areas are totally unreclaimed and are considered mining related disturbance attributed to this permit. Adding 1.28 acres with .75 acres, there is a total of 2.03 acres total disturbance which will be attributed to lease ML-26996.

It is also important to mention that approximately one acre of disturbance is attributed to lease ML-41354 which is also part of this permit, bringing the total disturbance for this permit to approximately 3.03 acres.

Conclusions and Recommendations:

This site still remains within the five acre small mine status. The total of this disturbance has not increased significantly since the last inspection. The most important

Site Inspection
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S/025/027
September 3, 2003

observation is that a portion of the area mined by Mr. Caruso is found on Mr. Harris's Lease # ML-41355. If Mr. Caruso plans to create any disturbance in the future, it must be reported and receive Division and SITLA acceptance prior to any disturbance being made.

jb

Attachment: GPS map

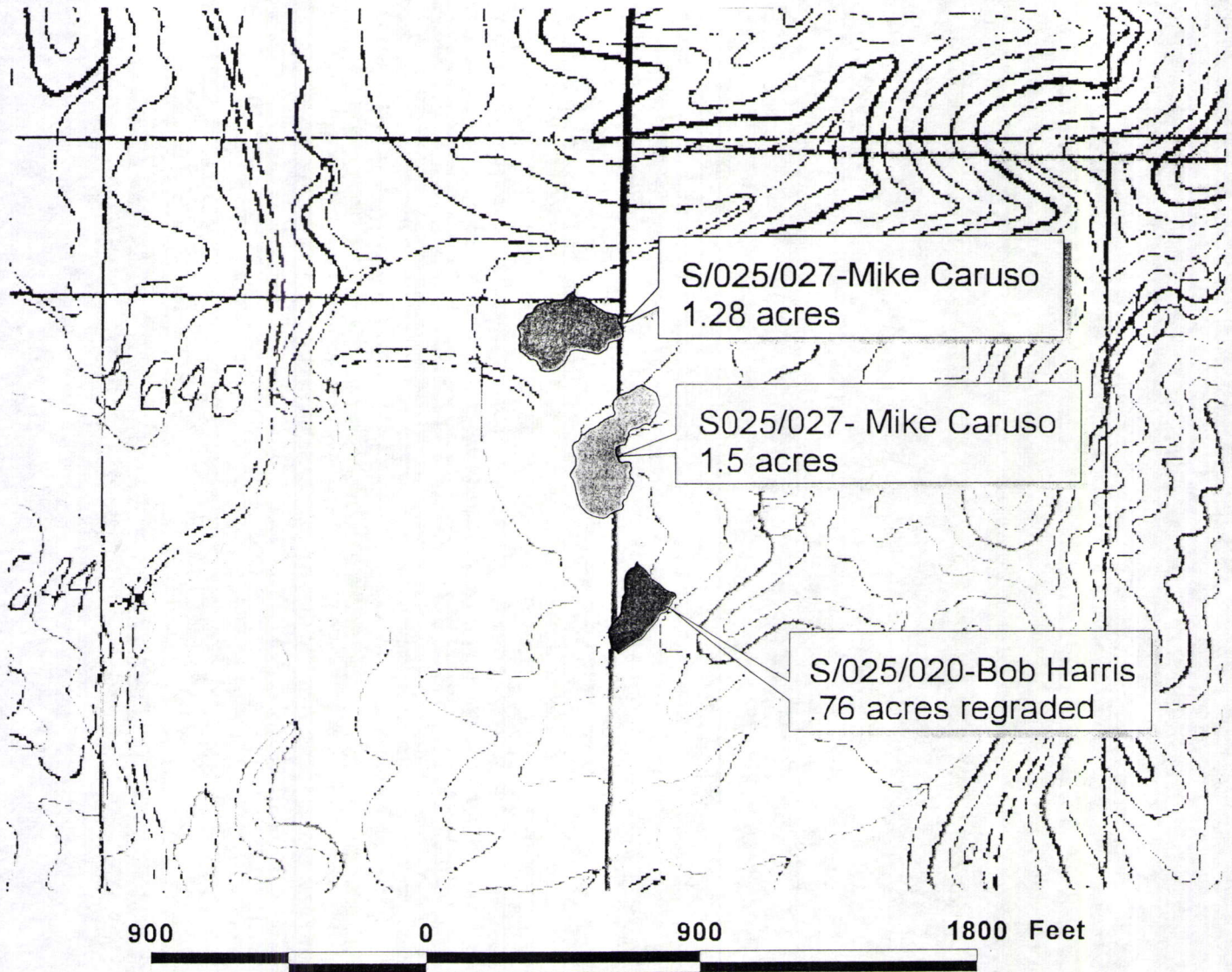
cc: Mike Caruso, Operator
Robert Harris (file S/025/020)
Will Stokes, SITLA (ML/26996)



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S/025/027

State Lease - ML 26996

Mike Caruso



 S/025/020-.76 acres regraded
 S/025/027- 2.78 acres disturbance



Site inspection date: 6/25/03

Location: NE1/4, NE1/4, T40S, R8W, SEC 36

USGS Quad-Orderville(Q1403)

This product may not meet DOGM standards for accuracy and content. Different data sources and input scales may cause some misalignment of data layers.